

---

**Insurance, Financial Services &  
Consumer Protection Committee**

---

**HB 3164**

**Brief Description:** Creating the homeownership security account to allow private organizations to contribute funds in support of financial education, and homeownership counseling and education.

**Sponsors:** Representatives Kelley, Green, VanDeWege, Simpson, Morrell, Darneille, McIntire, Lias, Kenney, Santos and Ormsby.

**Brief Summary of Bill**

- Creates the Homeownership Security Account (Account) for the purposes of preventing predatory lending and providing homeownership education, information, and counseling.
- Allows for contributions from private or nonprofit organizations.
- Requires that over fifty percent of the funds to be used to assist persons at or below eighty percent of county median income.

**Hearing Date:** 1/30/08

**Staff:** Jon Hedegard (786-7127).

**Background:**

The Department of Financial Institutions (DFI) regulates state-chartered financial institutions, state licensed consumer loan companies, and mortgage brokers. The DFI also provides education and outreach to protect consumers from financial fraud.

**Summary of Bill:**

The Homeownership Security Account (Account) is created for the purposes of preventing predatory lending and providing homeownership education, information, and counseling. Only the Director of the DFI or the Director's designee may authorize expenditures from the Account.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Contributions from private or nonprofit organizations may be deposited in the Account. Over fifty percent of the funds in the Account must be used to assist persons at or below eighty percent of county median income. Private contributors to the Account may request that the DFI provide an accounting of their annual contributions to the account.

The Director of the DFI may provide funds for the establishment, administration, and implementation of financial literacy and or consumer education programs including:

- education and outreach programs that assist citizens of all ages in understanding saving, investing, and budgeting, and other skills necessary to obtain individual financial independence, fiscal responsibility, and financial management skills; and
- unbiased information and counseling regarding residential mortgage transactions, nontraditional or subprime mortgages, predatory lending practices, gap financing and down payment assistance programs, or other financial products or practices in the marketplace relating to homeownership.

The DFI may use grants, contracts, or interagency agreements with governments and nongovernmental organizations to deliver the financial literacy or consumer education programs. The DFI may coordinate with ongoing efforts by other public and private sector agencies.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.